

An aerial photograph of a city skyline, likely London, featuring a mix of modern glass skyscrapers and older brick buildings. The sky is filled with large, white, fluffy clouds. Overlaid on the center of the image is the text "Banking System of Great Britain" in a large, bold, red, italicized font.

***Banking System of  
Great Britain***

# 1979

**the law on banking activity**

credit institutions

recognized banks

licensed companies  
accepting deposits

# The banking system of GB

- Level 1: Central Bank
- Level 2: Commercial Banks  
Specialized Banks:
  - Trading
  - Foreign
  - Savings Banks
  - Discount Houses

A photograph of the Bank of England building in London, a grand neoclassical structure with a portico of columns. A red double-decker bus is partially visible in the bottom left corner. In the background, a modern glass skyscraper is under construction with several cranes. The sky is blue with some clouds.

**Central Bank of Great Britain**

**Bank of England**

**Founded in 1694**

**1268 shareholders**

**1200 pounds**

**Nationalized in 1946**

# The role of the Central Bank

- emission of banknotes
- Influence on the size of cash reserves of banks and money stock
- the adviser of the government concerning monetary and credit policy
- operations on management of official gold and exchange currency reserves
- regulation of an exchange rate of pound sterling

# Supervision of banking system

- Accounts of other banks
- Accounts of the government and the governmental departments
- Management of a public debt

# Commercial Banks

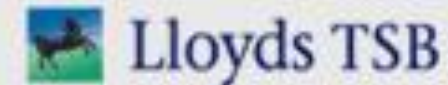
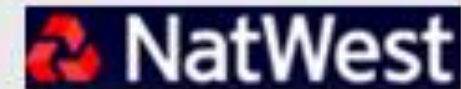
*“the great four”:*

National Westminster

Barclays

RBS

Lloyds



# Passive operations:

- reception of deposits:
  - deposits at call
  - deposit accounts
  - savings deposits



# Active operations:

- discount loans
- investments in securities

# Specialized banks

- Trading banks
- Foreign banks
- Savings banks